

During its joint/adjourned session on May 10, 2000, with the City of Newton, both Boards decided to enter into closed session.

At 2:30 p.m., upon a motion by **Commissioner Huffman**, and unanimously carried, the Board, in accordance with NCGS 143.318.10, agreed to convene in closed session to consult with the Attorney. The closed session attendees moved from the Meeting Room of the Government Center to the County Manager's Office.

At the same time the Newton Board of Aldermen took appropriate action to enter into closed session to consult with its attorney. The Aldermen moved to the Second Floor Conference Room.

Present in the closed session were Chair Robert E. Hibbitts, Vice-Chair Marie H. Huffman, and Commissioners Katherine W. Barnes, Barbara G. Beatty, and W. Steve Ikerd. Also, present were Staff Attorney Debra Nass Bechtel, County Attorney Robert Oren Eades, County Manager J. Thomas Lundy, Assistant County Manager Steven D. Wyatt, County Clerk Virginia W. Sobotkin, Director of Utilities and Engineering Barry B. Edwards, and Utilities and Engineering Public Services Administrator Kevin N. McCracken, and County Engineer Douglas G. Chapman, P. E.

PROPOSED ADDENDUM TO "FEBRUARY 5, 1996, AGREEMENT BETWEEN CATAWBA COUNTY AND NEWTON FOR REVENUE SHARING ON THE BALLS CREEK ELEMENTARY AND BANDYS HIGH SCHOOL PROJECT, AND 1998 ADDENDUM TO SERVE SHERRILLS FORD ELEMENTARY SCHOOL

(Background: See Minutes of regular session of February 5, 1996, and September 21, 1998, and closed sessions of February 21, May 1, and May 8, 2000.)

The Commissioners reviewed the information received during the joint/adjourned session. **Commissioner Barnes** stated she did not see a need for a new contract. If Newton would not abide by the 1996 contract and 1998 addendum, she suggested that a bridge contract be entered into with Newton until the line could be constructed to bring Hickory water to this area.¹

The Commissioners discussed the issue of line extensions. Both the Newton Board of Aldermen and the Board of Commissioners in executing that contract clearly anticipated the extension of lines to service new customers. Subsection 2, of Section I, of the 1996 contract specifically stated, "The county shall have the right, at its option, to participate in future line additions, extensions or connections from any revenue sharing line(s) installed and operated as a part of the Project ("the line"), provided any such addition, extension, or connection will serve County customers and not customers inside the City's corporate limits. If such addition, extension, or connection is within the City's corporate limits, the city shall have the right to add to, connect to, or extend the line to its citizens with no participation from the County." Further the contract dealt with the issue of rates, referencing the County Code which provides that rates are set solely by the Newton City Council as long as (a) the rates for outside customers are consistent, and (b) any increase in outside rates brings about a proportionate increase in inside rates. The City maintained it could not service lines in the County profitably and was unwilling to abide by the terms of the contract with regard to line extensions.

Chair Hibbitts stated he had discussed a bridge contract with Newton Mayor Dellinger and the Mayor stated the City would work with the County on this. The County Attorney reviewed the positions of the County and the City, discussed alternative legal courses of action, and the likely legal results to be obtained.

The **Assistant County Manager** asked County Attorney Eades to ask the Newton Board if they would serve the four

¹At the May 8, 2000, closed County Engineer Douglas G. Chapman discussed the option of constructing a 14,000-foot, 12-inch line on Bethany Church Road to bring Hickory water to the Sherrills Ford waterline. It would cost approximately \$500,000 and require nine months of construction time. This would require Newton to work with the County until the line was completed.

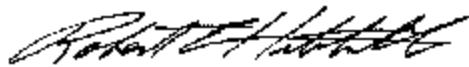
subdivisions requesting municipal water during the bridge contract. **Attorney Eades** left the session and returned later to report the City of Newton declined to do this.²

During the closed session the County Attorney reported the City agreed to a two-year bridge contract, but wished to separate areas. The Commissioners would not agree to Newton continuing service to a portion of this district.

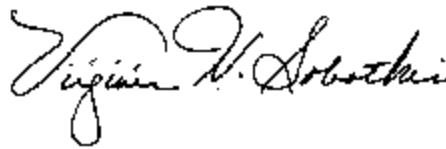
The Commissioners instructed the staff to investigate a bulk water purchase with the City of Hickory, and to move forward with temporary wells for the residential developments.

ADJOURNMENT

The Newton Board continued its closed session in the Conference Room of the Government Center until 5:15 p.m., and due to this, the Commissioners also remained in closed session. Both returned to the Meeting Room to adjourn.



Robert E. Hibbitts, Chair



Virginia W. Sobotkin, Clerk

²Requests for extensions from this line had been received from Island Point Road to North view Harbor, on Beatty Road to Anchors Landing, on Molly's Backbone Road to White Dove Development, and Murray's Mill Estate on Sherrills Ford Road.